



Ron G. Crane
Idaho State Treasurer
Idaho State Treasurer's Office

TAN Investment Policy

Security and Sources of Payment

Each Note when duly issued and paid for will constitute a valid and binding obligation of the State of Idaho. The faith and credit of the State of Idaho are solemnly pledged for the payment of the Notes.

There is established in the "Tax Anticipation Note Redemption Fund" created by Section 63-3203, Idaho Code, a special fund and account known as the "Tax Anticipation Notes, Series 2001, Note Payment Account" (the "Note Payment Account"). The Note Payment Account shall be held and invested at the direction of the State Treasurer by U.S. Bank National Association, Salt Lake City, Utah, as escrow agent (the "Escrow Agent"), pursuant to the provisions of an escrow agreement. Monies in the Note Payment Account will be invested in direct obligations of the Federal Government and in certain fully collateralized investments permitted under Section 67-1210, Idaho Code. The Treasurer has covenanted to invest all monies in the Note Payment Account in securities that mature no later than June 28, 2002. The Treasurer also has covenanted not to invest monies in the Note Payment Account in debt obligations of the State, its political subdivisions, or taxing districts or authorities.

Authorized Investments

State law and the Treasurer's Investment Policy require that Note proceeds be invested in direct obligations of the Federal Government, FDIC insured certificates of deposit from banks located in the State, collateralized repurchase agreements or other investment instruments as specified in Section 67-1210 of the Idaho Code.